

Message Text

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ORIGIN EB-11

INFO OCT-01 TRSE-00 H-03 ISO-00 AF-10 ARA-16 EA-11 EUR-25

NEA-11 RSC-01 SPC-03 SAM-01 AID-20 NSC-10 CIEP-02

SS-20 STR-08 OMB-01 CEA-02 L-03 CIAE-00 COME-00

FRB-02 INR-10 NSAE-00 XMB-07 OPIC-12 LAB-06 SIL-01

IO-14 PA-04 PRS-01 USIA-15 /231 R

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PPC/IA - MR. MOSHER

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FM SECSTATE WASHDC

TO ALL DIPLOMATIC AND CONSULAR POSTS

UNCLAS STATE 028411

INFORM CONSULS

E.O. 11652: N/A

TAGS: ECON, IBRD

SUBJECT: US PARTICIPATION IN IDA AND ITS FOURTH REPLENISH-
MENT

REFERENCE: STATE 15345

1. THE DEPARTMENT HAS RECEIVED INQUIRIES FROM VARIOUS
MISSIONS REGARDING USG INTENTIONS TOWARD THE FOURTH
REPLENISHMENT OF THE INTERNATIONAL DEVELOPMENT ASSOCIATION
(IDA) FOLLOWING THE DEFEAT OF THE APPROPRIATION LEGIS-
LATION IN THE HOUSE. SEE REFTEL. MISSIONS MAY WISH TO
DRAW ON THE FOLLOWING WHEN RESPONDING TO HOST GOVERNMENT
OFFICIALS' QUESTIONS ON THIS TOPIC.

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2. BECAUSE OUR PARTICIPATION IN IDA IV IS IMPORTANT TO US FOREIGN POLICY OBJECTIVES, THE ADMINISTRATION INTENDS TO TAKE ALL ACTIONS NECESSARY TO REVERSE THE HOUSE VOTE. FOR EXAMPLE IN HIS SPEECH FOR THE WASHINGTON ENERGY CONFERENCE, THE SECRETARY STATED: QTE. THE NEEDS OF THE DEVELOPING COUNTRIES ARE A PARTICULARLY URGENT DIMENSION OF THE ENERGY CRISIS. MASSIVE INCREASES IN OIL IMPORT COSTS ARE OCCURRING AT A TIME WHEN EXPORT PROSPECTS OF MANY LESS DEVELOPED COUNTRIES HAVE SHARPLY DIMINISHED AS A RESULT OF THE SLOW DOWN IN WORLD ECONOMIC ACTIVITY. EVEN AT LOWER OIL PRICES, THE BALANCE OF PAYMENTS PROBLEMS OF THE LESS DEVELOPED CONSUMER COUNTRIES

WOULD REQUIRE SUSTAINED ATTENTION. ...DEVELOPED COUNTRIES SHOULD AVOID CUTTING THEIR CONCESSIONAL AID PROGRAMS IN RESPONSE TO BALANCE OF PAYMENTS PROBLEMS. IN THIS REGARD, THE US WILL URGE THE CONGRESS TO RESTORE OUR CONTRIBUTION TO THE INTERNATIONAL DEVELOPMENT ASSOCIATION. END QTE.

3. MEMBERS OF THE EXECUTIVE BRANCH ARE CURRENTLY CONSULTING WITH THE CONGRESS TO DECIDE ON THE MOST EFFICACIOUS MANNER IN WHICH TO PURSUE THE MATTER IN THE SENATE.

4. SECRETARY SHULTZ SENT A TELEGRAM ON FEBRUARY 5 TO OTHER PART I GOVERNORS OF IDA EXPRESSING HIS CONCERN, SHARED BY THE PRESIDENT AND SECRETARY KISSINGER, AT THE HOUSE REJECTION OF IDA IV LEGISLATION. HE CHARACTERIZED THE NAIROBI ARRANGEMENT AS FAIR (U.S. SHARE IS 33.3 PERCENT OF IDA IV) AND REITERATED THE ADMINISTRATION'S COMMITMENT TO IDA AND TO THE REPLENISHMENT LEGISLATION. KISSINGER

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